



# Mass Transit Interim Study Committee

Friday, November 14, 2008

# Transit on Center Stage



- Increasing gas prices
- Volatile economy
- Emphasis on the environment
- The need to be less energy dependent
- Iowa's growing senior population

# 2008 Legislative Actions



- Health and Human Services Appropriation (SF 2425) Mass Transit Interim Committee
- TIME-21 (SF 2420) Public Transit Funding Study

# TIME-21 (SF 2420) Public Transit Funding Study



“ The Iowa DOT, in cooperation with the Office of Energy Independence and the DNR, shall review the current revenues available for support of public transit and the sufficiency of those revenues to meet future needs. The review shall include, but is not limited to identifying public transit improvements to meet the state energy independence goals and an assessment of how the state’s support of public transit is positioned to meet the mobility needs of Iowa’s growing senior population.”

# TIME-21 (SF 2420) Public Transit Funding Study



- Transit Funding Study Advisory Committee
  - Dept of Transportation
  - Dept of Natural Resources
  - Office of Energy Independence
  - Public transit systems (3)
  - Metropolitan planning
  - Regional planning
  - Dept of Human Services
  - Iowa Medicaid Enterprise
  - Dept of Elder Affairs
  - Iowa Environmental Council
  - Iowa Climate Change Advisory Committee
  - UI Public Policy Center
  - 1000 Friends of Iowa

# TIME-21 (SF 2420) Public Transit Funding Study



- Role of Study Advisory Committee:
  - To guide the study by sharing expertise, reviewing materials and providing input

# TIME-21 (SF 2420) Public Transit Funding Study



- Study schedule
  - Initial meeting - October 2008
  - RFP – November 2008
  - Consultant selection - December 2008
  - Study begins – January 2009
  - Study completion – November 2009
  - Forward to Legislature/Governor – December 2009



# Public Transit in Iowa

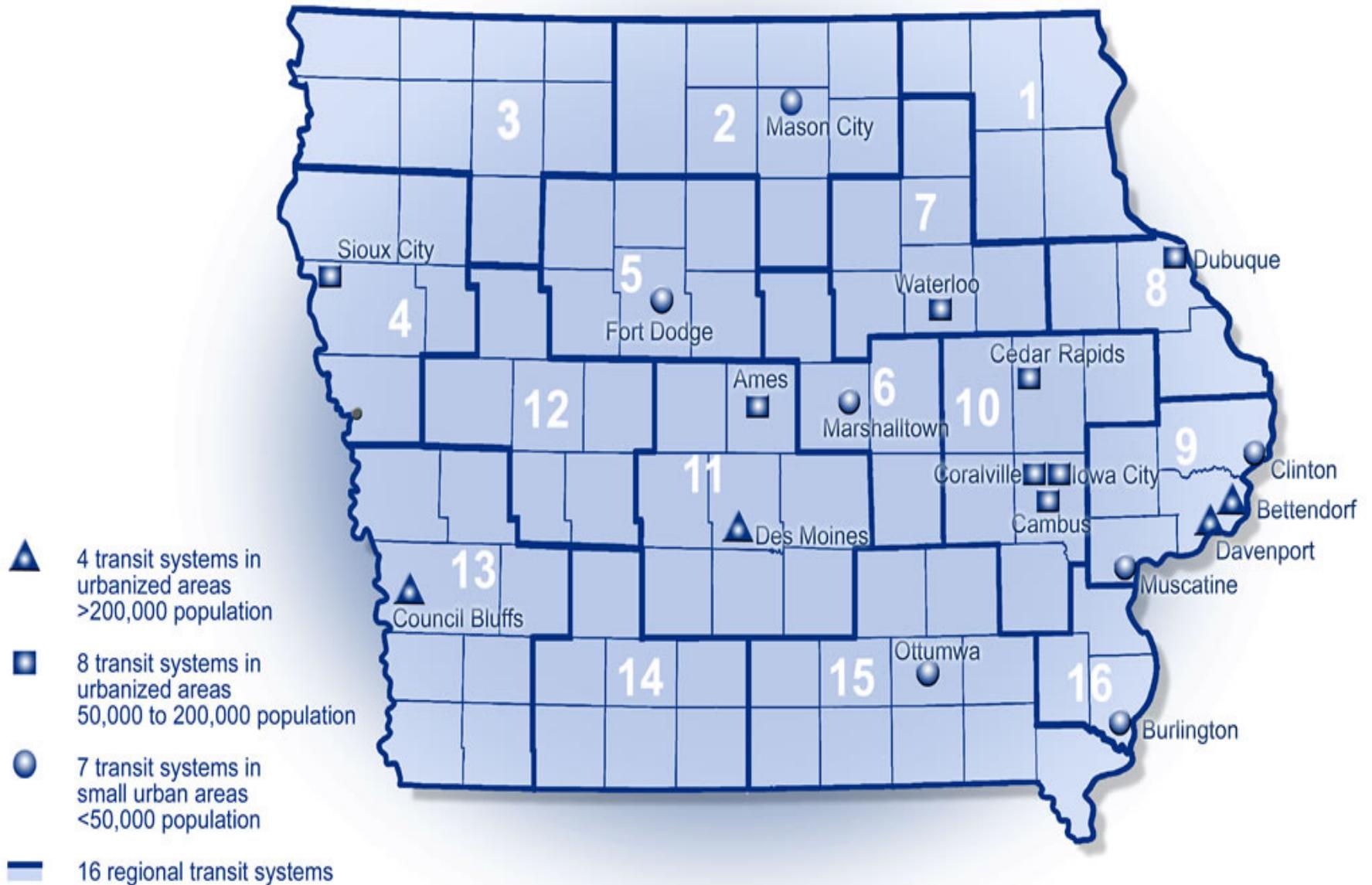
## An Overview

# Transit in Iowa

- Fixed-route bus
- Demand responsive bus/van
  - ADA paratransit
- Commuter bus
- Vanpool/carpool
- Park-and-ride
- Intercity bus
- Human service transportation



## Large Urban, Small Urban, and Regional Transit Systems



# Transit in Iowa

## Public Transit Systems



- Established under Chapter 324A of Iowa Code
- 19 urban transit systems
  - 12 Large urban (over 50,000 population)
  - 7 Small urban (20,000 – 49,999 population)
  - Typically fixed-route w/ADA paratransit
- 16 regional transit systems
  - Multi-county service areas
  - Typically demand-responsive

# Transit in Iowa

## Ridership and Mileage

(SFY2007)



	<u>Rides</u>	<u>Revenue Miles</u>
Large Urbans	18,706,211	11,246,676
Small Urbans	1,542,069	1,763,450
Regionals	<u>3,443,196</u>	<u>12,717,339</u>
Total	23,691,476	25,727,465

# Transit in Iowa Operations Expense

(SFY2007)



Large Urbans	\$53,722,927
Small Urbans	\$ 5,396,539
Regionals	<u>\$25,244,901</u>
Total	\$84,364,367

# Transit in Iowa

## Funding for Operations

(SFY2007)



	Local	Federal	State
Large Urbans	68%	24%	8%
Small Urbans	49%	29%	22%
Regionals	60%	20%	20%
State-wide	64%	23%	13%

# Transit in Iowa

## Funding Sources for Operations



- Local
  - Passenger revenues
  - Contracts with human services agencies
  - Local taxes/fees
  - Other
- Federal Transit Assistance
  - Derived from federal fuel taxes
- State Transit Assistance
  - Based on sales of motor vehicles

# Transit in Iowa Infrastructure/Vehicles



- Total of 1,642 vehicles statewide
  - Large Urbans 646
  - Small Urbans 96
  - Regionals 900
- Nearly all urbans, but only half of regionals, have dedicated or shared fleet maintenance facility
- Most urbans have constructed transfer hubs
- A few urban systems also have invested in “inter-modal facilities,” which often tend to be primarily automobile parking structures

# Transit in Iowa

## Funding for Infrastructure/Vehicles



- Federal
  - Largely based on federal earmarks
  - Derived from federal motor fuel taxes
  - Can be to 83% on ADA vehicles/80% on all other
- State
  - State Transit Assistance
    - Usable for capital, but most transit systems use their entire allocation for operating support
  - Public Transit Infrastructure Grants
    - New state funding for capital established in 2006
    - \$2.2 million appropriated
    - Derived from Tobacco settle funds and/or gambling revenues
    - Limited to fixed vertical infrastructure (buildings)
- Local
  - A variety of sources and arrangements

# Transit in Iowa

## Coordination w/Human Services Transportation



- Iowa Code Chapter 324A
  - All publicly-funded passenger transportation must be coordinated through designated public transit systems.
- Iowa Transportation Coordination Council
  - State agencies and others working with DOT to promote coordination and remove barriers

# Transit in Iowa

## Iowa Transportation Coordination Council Membership



### State departments:

Education\*  
Human Services\*  
Public Health  
Workforce Development  
Developmental Disabilities

Elder Affairs\*  
Transportation\*  
Human Rights  
Veteran's Affairs

### State-wide associations:

Counties\*  
School Boards  
Planning Agencies

Cities  
Transit Systems

\* original members

# Transit Issues for Iowa

## Insufficient Funding



- State and federal formula funding mostly used for support of operating costs
- Funding for infrastructure/vehicles is primarily dependent on federal earmarks
- 56% of vehicles beyond federal useful life standards (916 out of 1,625)
- No funding for expansion vehicles

# Transit Issues for Iowa Future State Funding



- Recent steep decline in auto sales means significant drop in state transit assistance
- FY09 Public Transit Infrastructure Grant appropriation on hold pending issuance of bonds

# Transit Issues for Iowa Future Federal Funding



- Current authorization for transportation programs ends this year
- Federal fuel taxes insufficient to support even extension of programs
- Earmarks under fire
- Nature of future programs (and level of funding available to Iowa transit unknown)

# Transit Issues for Iowa

## Local Funding



- Several cities bumping against transit levy limit
- Possible reduction in real estate valuations could reduce levy proceeds
- Many smaller cities unable to use transit levy due to language problem (“municipal transit”)
- Only two counties allowed to levy for support of transit

# Transit Issues for Iowa

## Increase in Operating Costs



- Fuel price volatility breaking budgets
- Increasing demands for transit services
- Maintenance on increasingly over-age vehicles

# Transit Issues for Iowa

## Adequacy of Transit Services



- Typical regional service is 7-8 hours per weekday and no weekends. Most small rural communities are served only on specified days of week or month.
  - Not sufficient to support commute to full-time employment
  - Transit dependent are left without access evenings, weekends and many weekdays

# Transit Issues for Iowa

## Adequacy of Transit Services



- Typical urban service is 12-13 hours per weekday and reduced hours on Saturday with no Sunday service. (some no Saturdays)
  - Sufficient for 1<sup>st</sup> shift commuting but not 2<sup>nd</sup> /3<sup>rd</sup>
  - Transit dependent isolated after 6pm or 7pm daily and Sundays or even Saturdays

# Transit Issues for Iowa

## Adequacy of Transit Services



- High urban service (16-17 hr/weekday in DSM, 20 hr/weekday in Ames or Iowa City), service available both Saturdays and Sundays, though on reduced schedules.
  - Can it cover all commute shifts?
  - Degree of isolation depends on locations and service format (on-call, etc.)



# Transit Funding in Other States

# Transit Funding in Other States

## Per Capita Rankings



- Iowa \$ 3.63 27<sup>th</sup>
- Minnesota \$57.26 11<sup>th</sup>
- Illinois \$38.12 13<sup>th</sup>
- Wisconsin \$20.41 15<sup>th</sup>
- Kansas \$ 2.17 30<sup>th</sup>
- Ohio \$ 1.42 32<sup>nd</sup>
- Missouri \$ 1.16 36<sup>th</sup>
- South Dakota \$ 0.96 38<sup>th</sup>
- Nebraska \$ 0.85 40<sup>th</sup>

(NE since doubled -- now just ahead of Ohio)

# Transit Funding in Other States

## Minnesota



- \$295 million
- 22.93% of Motor Vehicle Sales Tax
  - \$189 million Twin Cities metro transit
  - \$26.5 million Greater MN transit
  - \$60 million Northstar commuter rail capital
  - \$9.5 million Hiawatha Light Rail operations

# Transit Funding in Other States

## Illinois



- \$489 million (metro only/no rural)
- Portion of sales taxes collected in each area
  - Separate provisions for RTA and Metro East
  - Downstate urbanized get 80% of 3/32 sales tax up to 55% of operating budget
  - State subsidy for reduced fares for elderly, disabled and students
- Amtrak subsidies not included as transit

# Transit Funding in Other States

## Wisconsin



- \$113 million
- State Transit Operating Assistance
  - about 38% of ops statewide
  - equalized with federal assistance
- Special elderly & disabled transpo \$10 M
- Low income job transo \$.4 M
- State share of Milw-Chi AMTARK \$1 M

# Transit Funding in Other States

## Kansas



- \$6 million
- From Highway Fund
- Split 59% large urban/41% rural due to KC urbanized area
- Distribution in groups is totally discretionary

# Transit Funding in Other States

## Ohio



- \$16.3 million
- State Transit Assistance \$9.3 M
  - Operating assistance only for areas <200K pop
  - Separate distribution formulas for urbans vs. rurals
- Reduced fare program \$6 M

# Transit Funding in Other States

## Missouri



- \$6.8 million
- General Fund
  - Approx 1% of op costs for large urbans
  - Approx 4% of op costs for small urbans
  - Approx 4% of op costs for rurals
  - Separate program for elderly and disabled

# Transit Funding in Other States

## South Dakota



- \$.75 million
- Special Fund
- Distributed to rural operators only

# Transit Funding in Other States

## Nebraska



- \$1.5 million (since increased to \$3 million)
- Motor Vehicle Sales Tax/Gas Tax/Registrations
- Funds % of deficit up to cap
- Distributed to rural systems first
- Remaining funds become available to urbans
- Separate intercity bus assistance program \$.1 M